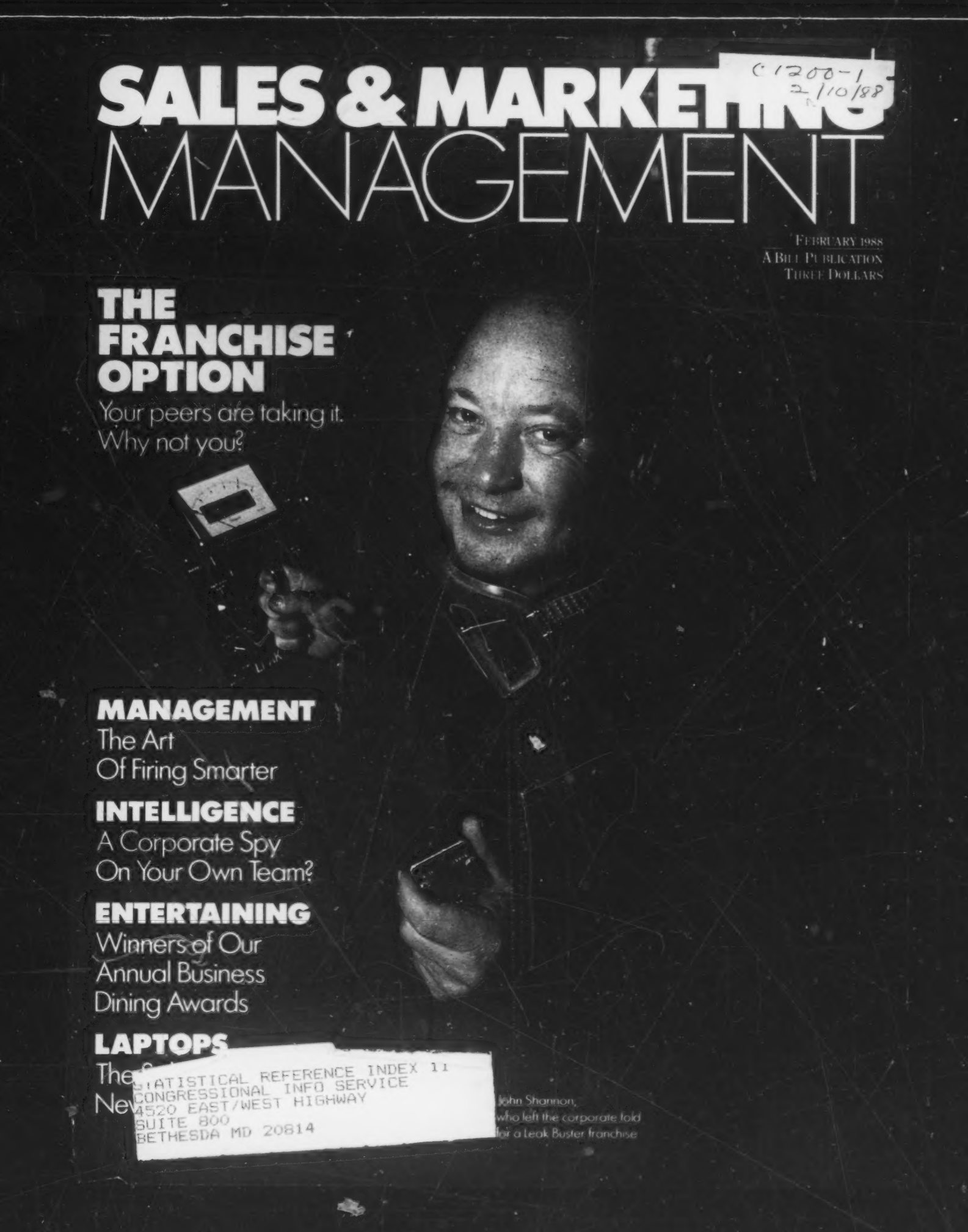
C1200-1
2/10/88

SALES & MARKETING MANAGEMENT

FEBRUARY 1988
A BILL PUBLICATION
THREE DOLLARS

THE FRANCHISE OPTION

Your peers are taking it. Why not you?



MANAGEMENT

The Art Of Firing Smarter

INTELLIGENCE

A Corporate Spy On Your Own Team?

ENTERTAINING

Winners of Our Annual Business Dining Awards

LAPTOPS

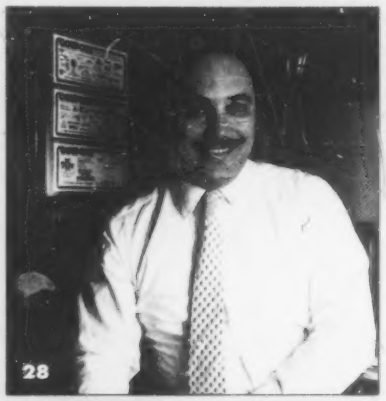
The [illegible]
New [illegible]

John Shannon, who left the corporate fold for a Leak Buster franchise

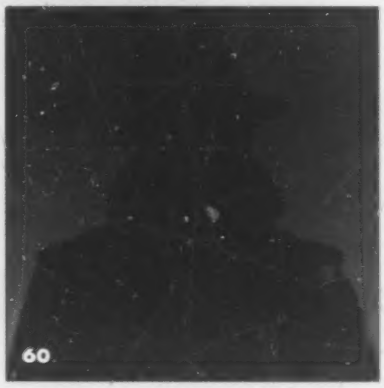
STATISTICAL REFERENCE INDEX 11
CONGRESSIONAL INFO SERVICE
4520 EAST/WEST HIGHWAY
SUITE 800
BETHESDA MD 20814

FEBRUARY 1988
A BILL PUBLICATION
ESTABLISHED 1918

SALES & MARKETING MANAGEMENT


28

48


60

COVER PHOTO: DAN CONNOLLY/PICTURE GROUP

FEATURES

28 THE FRANCHISE OPTION
A growing number of your peers are leaving the corporate fold and entering the world of franchising. Do they know something that you don't?

36 THE ART OF FIRING SMARTER
Terminating a salesman is never pleasant, but if you don't watch it, it can be downright dangerous—to your company and your career.

41 WINNERS OF OUR ANNUAL BUSINESS DINING AWARDS
Some old reliables reappear, but there are some surprises, too: all introduced by an eminent restaurant critic, who has his own menu of favorites.

48 WHEN A KEY PERSON LEAVES FOR A COMPETITOR
It's always tough to lose a top person. But what do you do when he joins the opposition?

53 LAPTOPS: THE SALESMAN'S NEW FRIEND
Our latest survey provides the first hard numbers on how these downsized PCs are being taken up by cutting-edge marketing companies. Find out which industries are in the forefront of the action and how these automated marvels stack up against desktops.

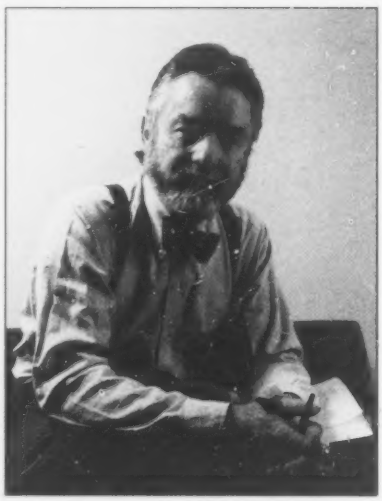
60 A CORPORATE SPY ON YOUR OWN TEAM
There can be strange twists in introducing a new product, but never a stranger twist than this.

DEPARTMENTS

4 EDITOR'S SIDE POCKET
6 LETTERS
8 THE WAY IT WAS
11 DEMOGRAPHICS IN ACTION
14 TRAVELERS' NETWORK
16 SECOND THOUGHTS
21 SHORT TAKES
24 BUSINESS-TO-BUSINESS
25 INTERNATIONAL
67 COMPUTERS
75 SALES FORCE MANAGEMENT
80 COMPENSATION
83 BUSINESS ADVERTISING
84 CO-OP ADVERTISING DIRECTORY
85 AD INDEX
86 SALES MART
88 SIGNIFICANT TRENDS
89 WORTH WRITING FOR

EDITOR'S SIDE POCKET

YESTERDAY, DOUGHNUTS. TOMORROW . . .



He has a well-paying, highly visible position. He's liked by colleagues and competitors alike, at ease and secure in his world. He's already got the girl, and down the fairway is a gold watch.

And yet he gives it all up for . . . for . . . a franchise?

Sure, we know about the American Dream and all about Ray Kroc, but that guy on the corner is still spending 36 hours a day making doughnut holes; what kind of life is that?

A life far larger than doughnut holes, as managing editor Al Urbanski found out in researching this month's cover story, "The Franchise Option." Instead, he discovered that some of the best and brightest of today's managers are saying goodbye to their corporate daddies to go it alone. It's not a decision lightly made or easily understood (one sales manager heard his accountant describe his behavior as "bizarre"), but Urbanski found few who regretted it.

Many of this new crop of franchisees are coming out of the ranks of sales and marketing. Not so surprising, many of the newer franchises in the service sector are highly dependent on sales and marketing for their success.

Why do managers leave the corporate fold for a franchise? For a variety of reasons, but Al told me one executive's comment that seems particularly revealing. "I got sick of saying, 'Why don't we do this?' and hearing some old guy reply, 'Well, we've always done it this way.' "

Al Urbanski walked away from his interviews impressed—indeed, impressed enough to say to me, "One thing bothers me about this story. Some of our readers who are true corporate animals—who'd never think of leaving the fold—are going to say, 'This magazine is encouraging my best guys to up and leave.' "

Only, my friend, if you behave like that old guy at the sales meeting. It's up to you to make sure your people are fulfilled in their jobs (just as your bosses have the same duty toward you). If they're not, know that franchising is making it easier for them to find fulfillment elsewhere.

As promised, in this issue you'll find our Business Executives' Dining Awards, based on our annual readers' poll. This year there's an added twist: Our winners are introduced by restaurant critic John Mariani. For John, who writes for *Esquire* and *USA Today*, analyzing readers' restaurant choices posed a challenge. Business dining is not dining for pleasure, although pleasure should be part of it. It is dining with a purpose. John had to keep that in mind as he mulled over the winners (and the more than 200 restaurants that didn't make the final cut).

The dining experience is ultimately a form of communication, from the restaurant to diners, from host to guests. John understands that, which is what makes his commentary particularly enlightening. Read him. He may persuade you to be a little more adventurous the next time you entertain a client.

SALES & MARKETING MANAGEMENT

EDITOR: A.J. Vogl

EXECUTIVE EDITOR: Louise I. Driben
MANAGING EDITOR: Al Urbanski
GENERAL EDITOR: Martin Everett
SENIOR EDITORS: Thayer C. Taylor, Computers; Arthur Bragg, Services; Richard Kern, Surveys; Bill Kelley, Industrial

COPY EDITOR: Wendy Svanoe
ASSOCIATE EDITOR: Bristol Voss
ASSISTANT EDITORS: Pearl Reid, Feioma Borden

BUREAUS: Washington, Paul Harris, 703-448-0277; West Coast, Liz Murphy, 818-508-5169

ART DIRECTOR: Ken Surabian
ASSISTANT ART DIRECTOR: Cynthia Stoddard
PRODUCTION EDITOR: Ron Tyska

CONTRIBUTING EDITORS:
Dr. Jane Templeton, Behavior; Mack Hanan, Sales Strategies; Homer Smith, Meetings; Edward J. Spar, Market Analysis; Ed Crimmins, Cooperative Advertising; Gerald A. Michaelson, Travelers' Network

READER INQUIRY: Bristol Voss, 212-984-2241

PRODUCTION MANAGER: Lynn Feretz
ADVERTISING PRODUCTION MANAGER: Fern E. Greenberg
PROMOTION MANAGER: Andrea Naso Nord
ADVERTISING SALES DIRECTOR: Donald J. Kilmartin
CIRCULATION DIRECTOR: William D. Kummel
BUSINESS MANAGER: Joseph J. Furey
PUBLISHER: Joseph M. Migliore

VOL. 140, NO. 2 *Sales & Marketing Management* ISSN 0163-7517 is published monthly except in February, April, July, and October, when it is published twice a month, by Bill Communications Inc., 633 Third Avenue, New York, NY 10017. Telephone: 212-986-4800.

Copyright 1988 by Bill Communications, Inc. All rights reserved.

Subscriptions in the U.S. and its possessions, $38. Canada, $52 (U.S.). Foreign, $67 (U.S.). Allow 4 to 6 weeks for first issue to arrive. Second Class Postage paid at New York, NY, and at additional offices. Postmaster: Send address corrections to *Sales & Marketing Management*, Subscription Service Department, P.O. Box 1025, South Eastern, PA 19398-9975. Member of the Audit Bureau of Circulations, Association of Business Publishers, and Magazine Publishers Assn.

Authorization to photocopy items for internal or personal use, or the internal personal use of specific clients, is granted by *Sales & Marketing Management* for libraries and other users registered with the Copyright Clearance Center (CCC) Transactional Reporting Service, provided that the base fee of $3 per copy is paid directly to CCC, 21 Congress St., Salem, MA 01970. (0273-9313/81 $3.) Special requests should be addressed to Bristol Voss at *Sales & Marketing Management*. This permission does not apply to the annual *Survey of Buying Power*, *Survey of Buying Power—Part II*, *Survey of Industrial & Commercial Buying Power*, or *Survey of Selling Costs* issues, nor does it extend to other kinds of copying, such as for general distribution, resale, advertising/promotional purposes, or creating new collective works.

"U.S.A. Newsstand Distribution by Eastern News Distributors, Inc., 1130 Cleveland Road, Sandusky, OH 44870."

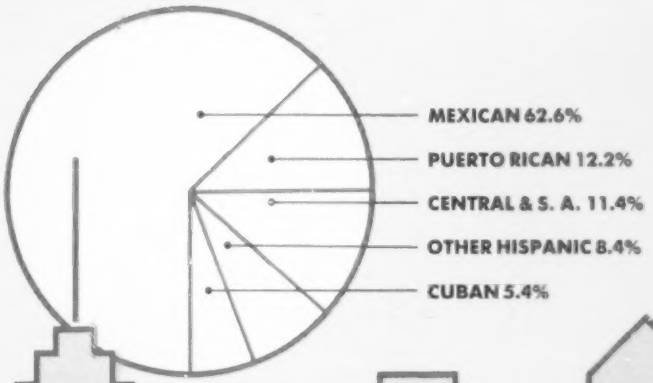
ABP ABC

DEMOGRAPHICS IN ACTION

ZEROING IN ON HISPANICS

Hispanic population by ethnic group, 1987

Depending on where you live, Hispanics can mean Cubans (Miami), Puerto Ricans (New York City), Mexicans (Texas and the Southwest), or any number of smaller Hispanic ethnic groups. Overall, the last five years reveal that the number of Central & South American Hispanics has grown by more than 40%, a gain of some 616,000 people.



Top-10 Hispanic metros

Among the U.S. metros with the largest Hispanic populations, Riverside-San Bernardino, CA, has recorded the greatest five-year growth, with the Hispanic population there increasing by 35.5%. The second, fourth, and seventh fastest growing Hispanic metros (San Diego, Los Angeles, and Anaheim-Santa Ana) are also located in California.

	1981	1986
LOS ANGELES	2,146,900	2,624,300
NEW YORK	1,476,200	1,692,600
MIAMI	692,700	744,500
SAN ANTONIO	529,200	647,600
CHICAGO	620,000	589,900
HOUSTON	484,400	579,600
RIVERSIDE-SAN BERNARDINO	314,800	426,600
EL PASO	322,200	385,800
SAN DIEGO	297,200	374,500
ANAHEIM-SANTA ANA	308,800	368,900

Better educated: Hispanic high school and college graduates

Over the last decade, the proportion of Hispanics completing their high school and college educations rose respectably. In 1985, 60% of blacks and 76% of whites had completed high school, while college graduates comprised 12% of all blacks and 23% of all whites.

SOURCE: U.S. CENSUS BUREAU, HISPANIC POPULATION OF THE UNITED STATES: MARCH 1986 AND 1987 (ADVANCE REPORT) AND CURRENT POPULATION REPORT, SERIES P-20, NO. 416; U.S. CENSUS BUREAU, EDUCATIONAL ATTAINMENT IN THE U.S., MARCH 1982 AND 1985, SERIES P-20, NO. 415; S & M'S 1982 AND 1987 SURVEY OF BUYING POWER

ELIOT BERGMAN, INC.

SMALL BUSINESS MARKET

QUESTION MARKS SURROUND THE OPPORTUNITIES

Vast potential wrapped in several question marks: that was the consensus at CAP International's recent small business market conference in New York City. The uncertainty began early on—with market definitions. Cyrus L. Tyler II, advertising director of Konica Business Machines, noted that while the Small Business Administration defines a small business as having 500 employees or less, advertisers classify less than 250 employees as small and 251 to 500 employees as medium-size businesses.

While there was agreement that small businesses' need to improve productivity spells great potential for hi-tech equipment, CAP president Charles A. Presko Jr. cautioned that such firms "are not especially innovative, letting others do the pioneering until prices become affordable." Still, IBM's Richard W. Hull, manager of new business opportunities in their national distribution division, said his firm views units with under 50 employees as "the next big growth market." The market of firms with 1,000 or more employees is "pretty flat; if you gain share there, you have to steal it from someone else." The market of firms with 50 to 999 employees "is a little steeper, but similar."

More research into the product needs of specific small business segments is necessary, according to Gary Gysel, national sales manager for the small business segment at Northern Telecom: "Industrial marketers still make new product decisions based on intuition, guts, and prayers." Apple Computer's small business marketing manager Susan Harman said, "Marketing to small business is not that different from selling to big business; their problems are the same." Hers is a view that blithely overlooks the much more limited resources small businesses have for problem-coping.

Small Businessmen: Male, Middle-Aged, Well-Educated, and Affluent

	SMALL BUSINESSMEN	EMPLOYED ADULTS
SEX		
MALE	70%	56%
FEMALE	30	44
AGE		
UNDER 35	35	49
35-54	50	37
55 AND OLDER	15	14
EDUCATION		
GRADUATED HIGH SCHOOL OR LESS	41	56
SOME COLLEGE	24	19
GRADUATED COLLEGE	35	25
INDIVIDUAL INCOME		
UNDER $20,000	13	70
$20,000-$34,999	35	20
$35,000-$49999	22	6
$50,000 OR MORE	30	4

SOURCE: GREY ADVERTISING

GM's new car hopes are riding on the Buick Reatta.

CAR MARKETING

GOING UPSCALE IN A DOWN MARKET

With new car sales anything but brisk since the October stock market crash, it seems the last thing needed would be another new car. Certainly not another American car and certainly not from General Motors.

But GM, despite the dubious distinction of currently having both the most unsold autos and the most layoffs, is enthusiastic about its newest entrant: the Buick Reatta, an elegantly appointed, V-6, two-seat roadster unveiled last month at the Los Angeles Auto Show.

The car has the styling of a sports model, but, unlike Chevrolet's classic Corvette, it doesn't have the same fire in its belly; however, it's not designed to compete with the Corvette or other high performance sports cars, says Gary Witzenburg, Buick's western regional spokesman.

"The Corvette is much more macho than the Reatta," says Witzenburg. "Our car is targeted to that niche—35 or older—who may or may not have had a sports car and would like the feeling of one but without the discomfort—the lack of storage space, the noise, the shifting and stiff ride, the difficulty of getting in and out."

Witzenburg says some of the car's features—sunroof, body-side molding, seat design, and even carpeting—were determined by research in which consumers were asked to list those features and accessories they would most like to see in a two-seater.

Despite nearly 10 years of planning, the question remains: Will Americans pay between $25,000 and $30,000 for a new car made by GM?

"No one would deny that our image has been tarnished a little in recent years," says Witzenburg, "but when I was growing up, the Buick was very prestigious. It was the oil crunch, not the quality of the car's craftsmanship, that caused it to lose market share. We're appealing to the audience who, like me, remembers the Buick as a prestige car—prestige but American."

Automotive marketing consultant George C. Peterson, president of AutoPacific Group of Newport Beach, CA, concedes that GM's sales of Cadillac's Allante sports car haven't shown that American-made cars can crack the image of foreign models, but he thinks the Reatta will fare better.

"The market really needs something new and you have to give GM credit for trying. If the dealers handle the introduction right and create image events around the car, they can give it a good initial launch," he says.

"It's good value for the money and those looking for status can get it without spending the extra $30,000 or more for an Allante or Mercedes 560SL. I think it

MAKE WAY FOR THE SALESMAN'S NEW FRIEND

Our latest survey provides the first hard numbers on how laptops are being taken up by cutting-edge marketing companies.

ILLUSTRATION BY DOUG TAYLOR

THAYER C. TAYLOR, SENIOR EDITOR

"Laptops in sales have moved from the evangelical phase to the early adopters stage," says Fred P. Burke, chief operating officer and cofounder of Sales Technologies, Atlanta, which builds integrated sales automation systems around the "have capability, will travel" machines. In a recent month, Burke claims, Sales Technologies won six contracts with Fortune 100-type companies. When the company started in 1983, Burke was lucky if he found that many prospects in a year, he recalls.

Indeed, signs abound that the diminutive lightweights have shed their novelty image and have embarked on the road to becoming standard equipment for field sales forces.

Roughly one out of seven marketers, 14%, use laptops in the sales or marketing area, according to a recent *Sales & Marketing Management* survey. Furthermore, three out of four users, 77%, say that in a two-year timeframe they'll buy more laptops, as well as boost the machine's use level.

Todd Scofield, executive vice president, marketing, of the Hugh Carver Group, the Princeton, NJ, VAR (value-added reseller) specializing in portable PCs, reveals, "A year ago middle management was our biggest customer category, accounting for half the traffic. Today, salespeople make up ninety percent of our customers."

Sales professionals and field engineers are the largest laptop community, siphoning 38% of the 350,000 units shipped last year, says a new report, *The U.S. Market for Laptops*, from Venture Development, the Natick, MA, researcher. Sales representatives account for the bulk of the 38% who depend on laptop use, the report adds.

Laptops are the PC market's hottest segment. Computer dealers hiked their orders for laptops a blistering 500% in the first nine months of 1987, according to the monthly *National Computer Retail Report*, issued by IMS America, a Plymouth Meeting, PA, researcher. In the same period, PC sales by dealers rose a more modest 12%, says InfoCorp, the Cupertino, CA, hi-tech research firm.

Behind the flashy gains is the growing realization that the laptop concept is proving itself. Says Barry L. Margerum, marketing vice president, Grid Systems, Fremont, CA: "Laptops have demonstrated that they optimize selling time and minimize administrative time. They enhance sales calls by giving the rep access to timely, updated information, helping him track customers and prospects more efficiently, and enabling him to make more convincing presentations. Equally important, their benefits are an increasingly important factor in attracting, retaining, and motivating a higher caliber sales professional."

A steady stream of product improvements have helped, too. Howard Anderson, director of Yankee Group, the Boston hi-tech research firm, ticks off several: "Much better quality screens that provide sharper images and greater contrast; expanded memory; faster hard disks; ROM (read-only memory)-embedded software so that salespeople needn't worry about losing floppies; a new class of accessories, such as portable printers that enhance laptop function; and lower prices."

TABLE 1

Comparison of Computer Usage

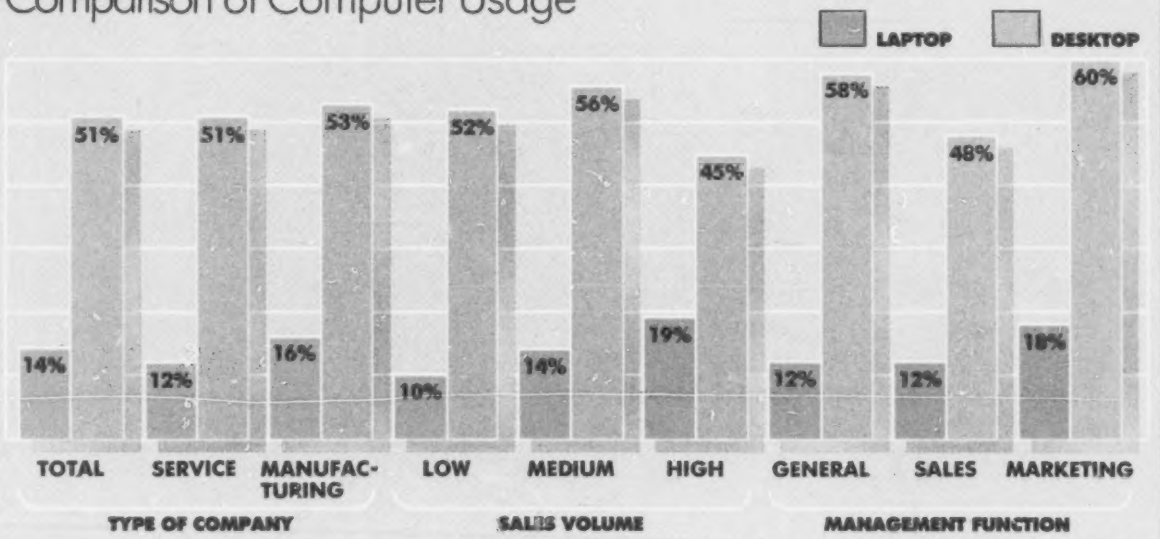


TABLE 2

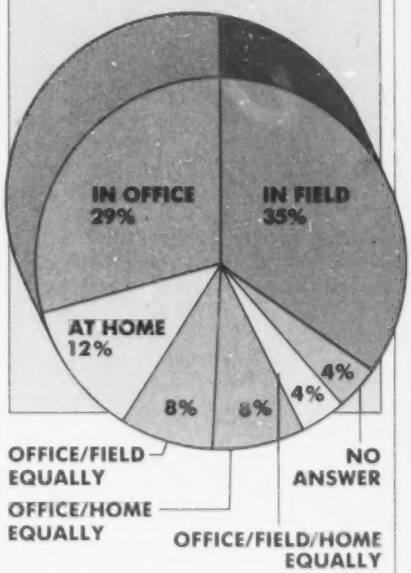
How Laptop Users Rank Applications

APPLICATION	CURRENTLY USE	WOULD LIKE TO USE	NO NEED FOR LAPTOP USE
1. Word processing/letters	74%	10%	10%
2. Data processing/spreadsheets	63	12	10
3. Retrieve/review data	61	14	6
4. Data collection/database	59	16	8
5. Selling tools/proposals	37	31	14
6. Budget preparation	35	20	20
7. Sales forecasts	33	18	18
8. Long-/short-range planning	27	22	18
9. Scheduling/time management	27	25	10
10. Market/customer analysis	27	28	16
11. Electronic mail	25	31	14
12. Account profiles	25	20	25
13. Order entry	20	18	29
14. Check inventory/shipping status	8	12	35
15. Media planning/allocation	5	16	39
16. Customer leave-behind	4	12	37
17. Other	4	0	0

SALES & MARKETING MANAGEMENT

TABLE 3

Primary Location of Laptop Usage



While hardware prices are tumbling, software and training costs can make outfitting a sales force with laptops a considerable investment. Thus it's no surprise, as S&MM's survey reveals, that marketers with deeper pockets set the pace. Still, an overwhelming proportion of marketers are convinced laptops pass the critical ROI (return-on-investment) test. More than a third, 35%, report a "high return," half a "moderate return," and only 6% "little return."

An equally high level of satisfaction is noted by users. Employee satisfaction was said to be "moderately high" by 37%, "very high" by 31%, and "acceptable" by 27%.

MARKETING SETS THE PACE

Overall, laptops are making bigger strides in the marketing function than in sales, especially with top executives such as chairmen and presidents who also have sales or marketing duties. Because marketing personnel are more deeply involved with the number-crunching of statistical analyses, their

TABLE 4

Users' Future Plans

(WITHIN 2 YEARS)

NUMBER OF LAPTOPS . . .

Increase	77%
Remain the same	16
Decrease	0
No answer	7

. . . USAGE LEVEL . . .

Increase	65%
Remain the same	22
Decrease	0
No answer	13

. . . NUMBER OF EMPLOYEES USING

Increase	71%
Remain the same	20
Decrease	0
No answer	9

TABLE 5

Explosive Growth at Retail

LAPTOPS ORDERED BY COMPUTER DEALERS

SOURCE: IMS AMERICA, NATIONAL COMPUTER RETAIL REPORT.
© SALES & MARKETING MANAGEMENT

TABLE 6

Why Nonusers Shun Laptops

No perceived need	60%
Desktops used instead	15
Cost/too expensive	12
Company in evaluation stage	6
Lack of information	4
Laptops not compatible with software currently used	3
Awaiting future developments	3
No interest	2
Too time consuming	2
Other	12

NOTE: WON'T ADD TO 100% DUE TO MULTIPLE RESPONSES.

TABLE 7

Nonusers' Degree of Interest in Laptops

Very interested/pursuing plans to buy	7%
Interested/considering purchase	12
Somewhat interested/need more information	39
Not at all interested	38
No answer	4

computer needs are considered greater than those of salespeople.

Also, as noted by Mason Tenaglia, vice president, Micro Mentor, a Cambridge, MA, PC training outfit, "Marketing people work on computers in the office and will be given a laptop for work they take home. Because salespeople work outside the office and are not used to working with a computer, they're the last ones to get a PC, be it desktop or laptop."

The application tasks to which laptops are put reflect the downsized PC's recent appearance in the sales area. The fact that word processing and spreadsheets top the list, says Yankee Group's Howard Anderson, "shows that laptops are following the traditional usage trajectory of computers and terminals that occurred in the earlier days of accounting and office automation, where the initial emphasis was on the administrative side. The salesperson is using the new technology to do his administrative tasks better than he did before. He'll use word processing, for example, to insert a proposal in a letter to a customer."

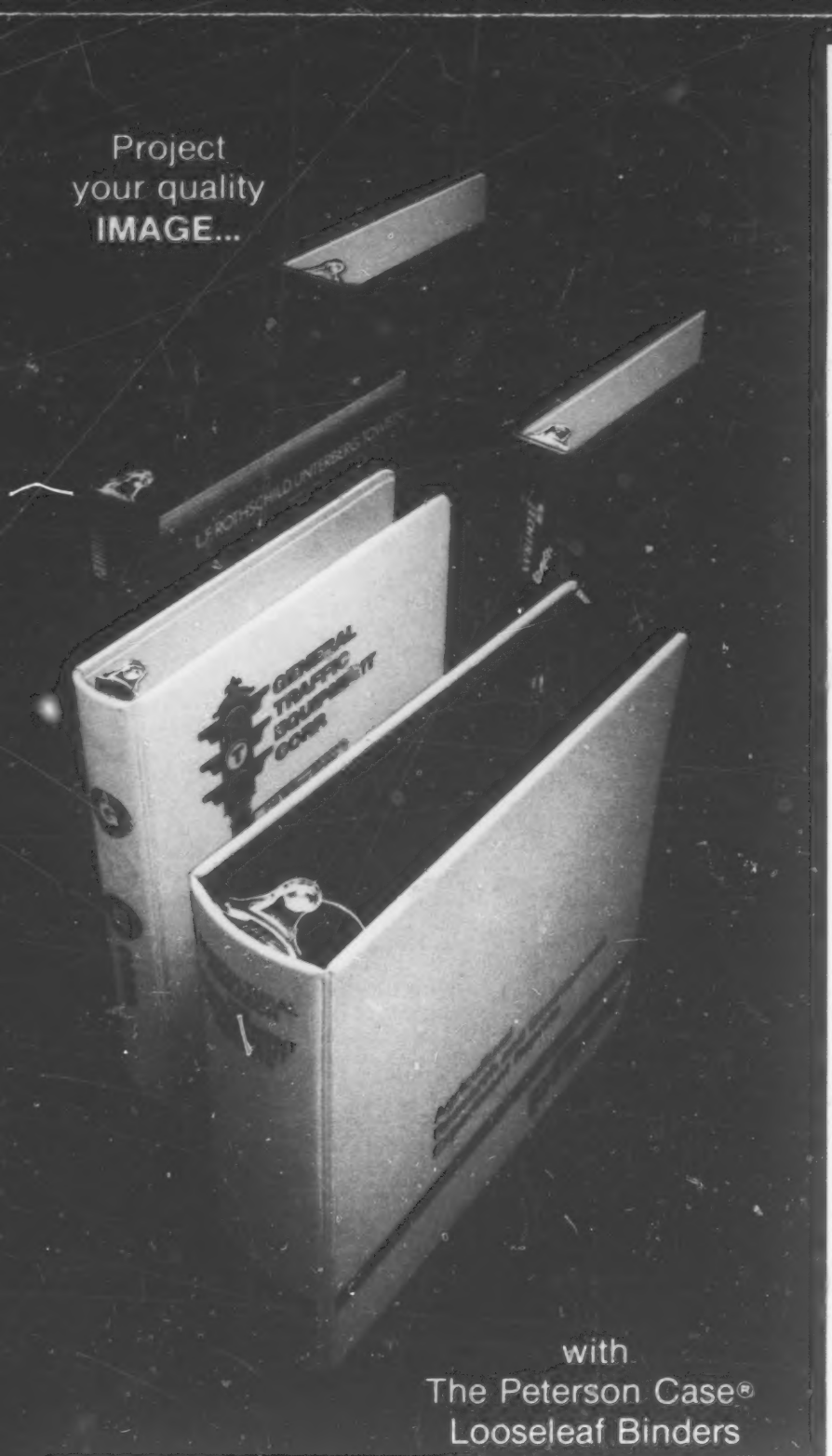
Also, word processing and spreadsheets are the two most widely distributed software packages around. Hence, when companies pass out software to be used with laptops, they start with one, if not both, of those two programs.

However, some see word processing as a serious misuse of laptops. James Huguet, president of marketing consultant Northeastern Organization, Trumbull, CT, agrees: "If I'm paying a salesperson $40,000 to $50,000, plus $10,000 to $20,000 in expenses, I'd be seriously concerned if he used the laptop mostly for writing letters. That makes him a very expensive typist."

He's seconded by Kermit L. Stofer, president of Envoy Systems, the Waltham, MA, marketer of an integrated laptop-based sales automation system. He says the Fortune 500 companies he sells to are more interested in sales-specific programs and adds that their five most popular laptop applications are: "account management, which includes call planning and reporting and account profiling; order entry for shortening the time cycle and improving accuracy; inquiring into corporate databases for inventory status and account sales history; electronic mail for disseminating information; and generating proposals and presentations."

Even so, word processing and spreadsheets show up as background influences in the next most popular applications cited by respondents in S&MM's survey: selling tools/proposals and presentations (which can be generated by a word processing program), and budget preparation and sales forecasts (both of which are simplified by spreadsheet packages). Sales Technologies's Burke cites a client who eliminated the perennial problem of reconciling 45 contrasting forecasts from the field through a combination of laptop and spreadsheet: A macro of what the sales forecast format should look like was installed on a central com-

Project
your quality
IMAGE...



with
The Peterson Case®
Looseleaf Binders

The Peterson Case® offers the impressive look and lush feel of quality leather . . . at vinyl binder pricing.

It projects your image as a quality company and is the perfect finishing touch to your catalogs, proposals, deal sheets, etc.

Write for samples and pricing information on your company letterhead.

VINYL CASE DIVISION
Of Peterson Electronic Die Co., Inc.
199 Liberty Avenue, Mineola, N.Y. 11501 / (516) 747-3833

THE PETERSON CASE® is a registered trademark of an electronically sealed, supported vinyl product. The unique construction affords a rugged durability at a practical economy and an exceptionally fine appearance. It can always be identified by the debossed line around the periphery of the lining which is a distinctive feature and has also become a registered trademark of THE PETERSON CASE®.

puter. When the district managers prepared their monthly look-ahead, they downloaded the macro, superimposed a Lotus 1-2-3 template that generated their forecasts. It then became a simple routine for headquarters to total them.

VIVA WHAT DIFFERENCE?

Interestingly, when the nonusers in S&MM's survey were asked what applications they would run if they had a laptop, their leading choices jibed with those of users, although there were differences in the order. The nonusers favorite five were: 1) retrieve and review data; 2) selling tools/proposals and presentations; 3) data processing/spreadsheet calculations; 4) word processing/letters; and 5) data collection/database. The rank nonusers give to "retrieve and review data" implies they envision laptops linked online to a host mainframe from which salespeople would download the needed information.

Portability obviously is the laptop's biggest appeal. Half of the respondents cited this feature as their favorite. However, while general and marketing management ranked size as the second most popular feature, sales management chose "allows access from remote locations," indicating a desire for a communications link either with resources in the home office or with a host computer.

Although laptop users indicate a high level of satisfaction, nonusers seem caught in an ambivalent flux. While a majority cite reasons for their abstinence, an almost equal share indicate some degree of interest. It may be that the laptop's evangelical phase hasn't ended yet. □

Survey Methodology

A detailed questionnaire was mailed to an Nth name sample of 1,000 readers of *Sales & Marketing Management*. Usable returns numbered 353 out of a total of 390. Forty percent of the respondents had sales under $10 million, 46% between $10 million and $399.9 million, and 7% $400 million and over. Seven percent did not indicate sales volume. Fifty-two percent were in sales management, 44% in marketing management, and 46% in general management in such positions as chairman, president, or vice president.

SIGNIFICANT TRENDS

THE 1988 SALES FORCE: CRASH-PROOF AND FLOURISHING

BY ARTHUR BRAGG, SENIOR EDITOR

"Bleak Picture on Job Front" read the headline of a news story that ran last month. The report cited economists and others who are convinced that a fallout of last October's stock market crash will be a freeze on hiring. The theory: Unable to raise money by selling stock, many companies will have to borrow money, and that will make corporate executives eager to hold down hiring. But while that may indeed happen in most job categories, surveys just completed by two of the country's biggest sales recruiting firms indicate that salespeople will be in the clear where a hiring freeze is concerned. In fact, 1988 will be something of a boom year for salespeople.

For its survey, Sales Consultants, based in Cleveland, interviewed 1,451 sales executives nationwide to ask them about their hiring plans for the first six months of 1988. A total of 36.8% said they would increase their sales and/or marketing staffs through next June. This, notes Sales Consultants spokesman Nancy M. Kovalcheck, reflects a 1.7% increase over hiring projections the company gathered in its last survey, which covered the second half of 1987. In addition, 12.1% said they would cut their staffs and 49.8% were planning to maintain their present staff sizes.

The second of the two recruiting companies, Salesworld, based in Ft. Lauderdale, received questionnaires back from some 273 sales vice presidents. The results: 60.1% indicated that they would be adding to their sales forces through next December; the size of the increases range, says Salesworld's vice president, Carl Carieri, from 1% to 15% for 67.2% of the respondents and between 16% and 30% for another 16.6% of those who responded. Just over 8% said they planned increases of above 50%. Only 2.6% of the respondents said they planned to decrease the size of their sales teams in 1988.

Other findings flesh out the immediate hiring picture:

Locations. New England leads the nation in sales and marketing hiring projections, the Sales Consultants' survey shows. Some 56.5% of the respondents there indicated they will be increasing their sales forces. Other regions to show increases are the Southwest, South Atlantic, Midwest, and the North Central states.

Industries. Of the 20 industries Sales Consultants studied, business services will do the most hiring; 50% of respondents will add sales and/or marketing personnel. Hiring will also be up in data processing companies and those in the printing, chemicals, agricultural, financial, and transportation/communications/utilities industries.

Hiring will be more restrained in the following areas: machinery, medical/pharmaceutical, metals, wholesale trade, textiles, and mining.

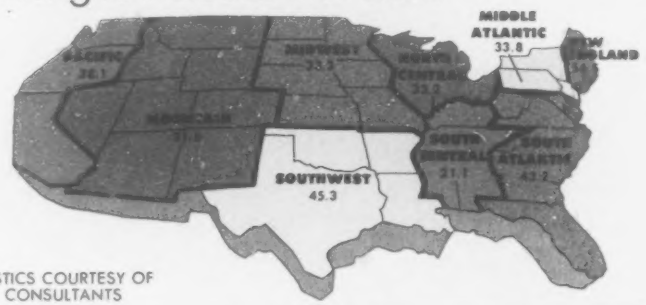
Qualifications. Salesworld's respondents overwhelmingly said they will be looking for new hires who have higher qualifications than salespeople they hired in the past. Some 91.3% indicated they will be more demanding in such things as educational background, experience, and self-reliance. If sales executives are becoming more particular in those they hire, they are also more generous with their people, or so the Sales Consultants study suggests. Sixty-six percent of its respondents revealed that their merit raises are up anywhere from 1% to 9%. Twenty percent said their raises are up by 10% or more.

A major reason for the planned increases in sales manpower is that many companies will open new sales territories this year, Salesworld discovered; 4 in 10 of its respondents mentioned such plans, particularly those in the Northeast and Midwest. Almost the same number will open new sales offices, with the Northeast and Midwest again the favorite regions. Two other trends emerged: (1) More companies will bring out a product line addition(s) this year than will not, 64% vs. 36%, and (2) few will delete anything from their current offerings.

"The financial markets' debacle is not dulling the enthusiasm of those who make sales and marketing decisions," argues Sales Consultants president Alan R. Schonberg. "These people know the strength and futures of their companies and are preparing to capitalize on them through . . . sales and marketing staff increases." A spot check of recruiters by this publication supports that theory. Example: Georgia-Pacific's Distribution Div. will interview some 2,000 college seniors this year and hire 200 of them as salespeople. "It would have been even more except that we acquired a company and its sales force last year," notes Douglas J. Chance, training and recruiting manager for the division. Also, more than 50 recruiters—a record number—showed up at a recent marketing and sales career fair held by Baylor Univ.'s business school. Their mission was to meet as many of the 1,000 students who attended as possible and prequalify the most promising for jobs when they graduate.

Meanwhile, this year may be less promising for women in the sales force. Just one in four of Salesworld's respondents said they'll be adding more women. This publication will look into the problems of saleswomen generally in a future issue. □

Regional percentages of companies planning to increase their staffs



STATISTICS COURTESY OF SALES CONSULTANTS

CHART BY ADVERTISING DESIGN, STATISTICS COURTESY OF SALES CONSULTANTS